



Bureau of Labor Statistics

Chicago, Ill. 60604

General Information: (312) 353-1880

FOR IMMEDIATE RELEASE:

Media Contact: Ronald M. Guzikki

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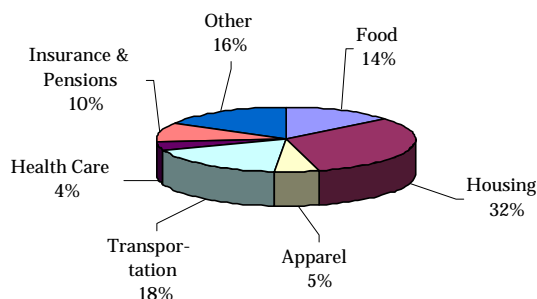
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## **CONSUMER SPENDING PATTERNS IN THE CLEVELAND-AKRON AREA, 1997-98**

Cleveland area consumer units spent an annual average of \$36,450 in 1997-98, according to the U.S. Department of Labor's Bureau of Labor Statistics (BLS). This was approximately 4.1 percent higher than the average for the Nation but 23 percent less than a household's budget in Minneapolis-St. Paul, a Midwestern city of comparable size. However, local expenditures were roughly similar to those in Cincinnati and Detroit. (See Table 1.)

Overall, the average Cleveland area household spending pattern for food, housing, and transportation was similar to the U.S. average household. In 1997-98, 64 percent of all expenditures were accounted for by these three broad expenditure groups. (See Table 2.)

**Cleveland Expenditure Shares  
Consumer Expenditure Survey, 1997-98**



This report is based on data from the Consumer Expenditure Survey that is conducted on an ongoing basis by the Bureau of Labor Statistics. Survey data are collected for BLS by the Bureau of the Census. This is the only national survey that provides complete data on both household expenditures and the demographic characteristics of those households. Survey data cannot be used to make cost of living comparisons between areas. This is because expenditures vary among areas not only because of economic factors such as the price of goods and services and family income, but also because of differences such as the age of the population, climate, consumer tastes, family size, etc. The survey provides average expenditures for consumer units. An individual consumer unit may spend more or less than the average, depending on its particular characteristics.

On average, spending on housing accounted for 32.2 percent of total household expenditures in the Cleveland area. Nationally, households spent 32.8 percent on housing in the 1997-98 period. The majority of housing expenditures in Cleveland (54 percent) went for shelter which includes home purchase, mortgage interest, property taxes, repairs, and rent, among other items. Spending on utilities, fuels and services comprised 22 percent of the housing budget, close to the national average of 21 percent. At 71 percent, the homeownership rate in Cleveland was above the national average of 64 percent.

Transportation was the second largest expenditure category for the Cleveland area, accounting for 18.3 percent of all expenditures. This was about the same as the national average. The average Cleveland household owned 2.1 vehicles, about the same as the national average of 2.0. Cleveland area residents spent 95 percent of their transportation budget owning and maintaining private vehicles and 5.0 percent on public transportation.

Expenditures on food accounted for 13.8 percent of the total in the Cleveland area, about the same as the Nation as a whole. Locally, consumers spent approximately 60 percent of their food and beverage budgets eating at home. The remaining 40 percent was spent on food prepared away from home, such as restaurant meals, carry-outs, board at school, and catered affairs.

Personal insurance and pensions accounted for 9.7 percent of a Cleveland household budget. Social Security and pension contributions accounted for almost 90 percent of spending in this category.

Expenditures on apparel and related services accounted for 5.5 percent of the budget in Cleveland, greater than the national average of 4.9 percent as well as the share allotted to this category by households in Cincinnati, Detroit and Minneapolis-St. Paul.

Cleveland area households spent 4.2 percent of their budget on out-of-pocket medical expenses such as health insurance premiums, medical services, drugs and medical supplies. Nationally consumers spent 5.3 percent, while those in Cincinnati spent 6.3 percent of their budget for health care.

Accounting for 2.2 percent of a household's total budget, spending on education in Cleveland was above the national average of 1.6 percent. Spending on entertainment was also above the nationwide average -- 6.2 versus 5.0 percent. Cleveland area residents had close to National average spending patterns for personal care products and services, reading materials and miscellaneous expenses.

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### **Additional Data Available**

Data tables are available for the four Census regions and for the national average. These tables may be obtained from the Bureau's automated Fax-on-Demand service. See below. Additional tables are offered under the heading "*Tables*" on the BLS Internet site (<http://stats.bls.gov/csxhome.htm>).

BLS Fax-on-Demand - Chicago (312) 353-1880	Number of pages	Document no.
Consumer Expenditures in 1998 - national news release (annual)	2	2705
CEX expenditure data		
By quintiles of income before taxes (Table 1)	3	2710
By income before taxes (Table 2)	3	2715
By age of reference person (Table 3)	3	2720
By size of consumer unit (Table 4)	3	2725
By composition of consumer unit (Table 5)	3	2730
By number of earners (Table 6)	3	2735
By housing tenure, race, Hispanic origin and type of area - urban or rural (Table 7)	3	2740
By region of residence (Table 8)	3	2745
By occupation of reference person (Table 9)	3	2750
By education of reference person (Table 10)	3	2760

### **Technical Note**

The current Consumer Expenditure Survey program began in 1980. Its principal objective is to collect information on the buying habits of American consumers. The consumer expenditure data are used in a wide variety of research by government, business, labor, and academic analysts. The data are also required for periodic revision of the Consumer Price Index (CPI).

The survey consists of two components: A Diary or recordkeeping survey completed by participating consumer units for two consecutive 1-week periods, and an Interview survey in which the expenditures of consumer units are obtained in five interviews conducted every 3 months. The data presented in this release are based on integrated data from both surveys.

The metropolitan statistical areas covered by the Consumer Expenditure Survey represent areas designated by the U.S. Office of Management and Budget and are based on definitions in effect as of December 1992. Due to a change in sampling frame and in area definitions, local data for the 1997-98 period cannot be compared to data prior to 1996. The following are definitions of the areas discussed in this release:

The Cleveland-Akron, OH, includes the counties of Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, and Summit.

The Cincinnati-Hamilton, IN-OH-KY, is comprised of the counties of Dearborn and Ohio in Indiana, Brown, Clermont, Hamilton, Warren in Ohio, and Boone, Campbell, Gallatin, Grant, Kenton, Pendleton in Kentucky.

The Detroit-Ann Arbor-Flint, MI, includes the counties of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne.

The Minneapolis-St. Paul, MN-WI, includes the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, Pierce, and St. Croix in Wisconsin.

### **Definitions**

**Consumer unit** A single person living alone or sharing a household with others but who is financially independent; members of a household related by blood, marriage, adoption, or other legal arrangement; or two or more persons living together who share responsibility for at least 2 out of 3 major types of expenses - food, housing, and other expenses. The terms household or consumer unit are used interchangeably for convenience.

**Complete income reporter** In general, a consumer unit that provides values for at least one of the major sources of its income such as wages and salaries, self employment income, or Social Security income. Even complete income reporters may not have provided a full accounting of all income from all sources.

Table 1. Average annual expenditures, U.S. average and selected Midwestern metropolitan statistical areas, Consumer Expenditure Survey, 1997-98

Item	United States Average	Cleveland	Cincinnati	Detroit	Minneapolis- St. Paul
Income before taxes <u>1</u> /	\$40,770	\$42,142	\$48,656	\$43,557	\$53,543
Average annual expenditures	\$35,097	\$36,450	\$36,772	\$35,658	\$47,198
Food	4,789	5,027	5,055	5,057	5,607
Food at home	2,830	3,006	2,843	2,920	3,253
Food away from home	1,960	2,021	2,213	2,137	2,354
Alcoholic beverages	309	321	342	331	525
Housing	11,509	11,721	12,091	11,789	14,766
Shelter	6,513	6,345	6,784	6,809	8,135
Utilities, fuels and services	2,408	2,604	2,389	2,505	2,292
Household operations	543	468	822	492	736
Housekeeping supplies	469	476	398	404	572
Household furnishings	1,576	1,829	1,698	1,580	3,030
Apparel and services	1,704	1,993	1,831	1,652	1,927
Transportation	6,539	6,658	6,481	7,069	9,129
Vehicle purchases (net outlay)	2,851	3,030	2,704	2,629	4,117
Gasoline and motor oil	1,057	939	1,109	1,055	1,258
Other vehicle expenses	2,218	2,331	2,226	2,915	3,168
Public transportation	413	359	441	470	585
Health care	1,872	1,518	2,312	1,604	2,184
Entertainment	1,756	2,273	1,885	2,295	2,404
Personal care	401	398	339	431	482
Reading	162	212	179	168	219
Education	575	795	410	305	766
Tobacco	268	330	394	352	276
Miscellaneous	854	842	1,057	830	1,515
Cash contributions	1,056	837	1,262	872	1,323
Personal insurance and pensions	3,303	3,542	3,135	2,903	6,075

1/ Components of income and taxes are derived from "complete income reporters" only: see definitions.

Table 2. Consumer unit characteristics and distribution of expenditures, U.S. average and selected Midwestern metropolitan statistical areas, Consumer Expenditure Survey, 1997-98

Item	United States Average	Cleveland	Cincinnati	Detroit	Minneapolis- St. Paul
Income before taxes <sup>1/</sup>	\$40,770	\$42,142	\$48,656	\$43,557	\$53,543
Age of reference person	47.7	48.6	47.2	48.6	47.3
Earners	1.3	1.3	1.5	1.3	1.5
Vehicles	2.0	2.1	2.0	2.0	2.6
Percent homeowner	64	71	63	72	69
Average annual expenditures	\$35,097	\$36,450	\$36,772	\$35,658	\$47,198
Percent distribution:	100.0	100.0	100.0	100.0	100.0
Food	13.6	13.8	13.7	14.2	11.9
Food at home	8.1	8.2	7.7	8.2	6.9
Food away from home	5.6	5.5	6.0	6.0	5.0
Alcoholic beverages	.9	.9	.9	.9	1.1
Housing	32.8	32.2	32.9	33.1	31.3
Shelter	18.6	17.4	18.4	19.1	17.2
Utilities, fuels and services	6.9	7.1	6.5	7.0	4.9
Household operations	1.5	1.3	2.2	1.4	1.6
Housekeeping supplies	1.3	1.3	1.1	1.1	1.2
Household furnishings	4.5	5.0	4.6	4.4	6.4
Apparel and services	4.9	5.5	5.0	4.6	4.1
Transportation	18.6	18.3	17.6	19.8	19.3
Vehicle purchases (net outlay)	8.1	8.3	7.4	7.4	8.7
Gasoline and motor oil	3.0	2.6	3.0	3.0	2.7
Other vehicle expenses	6.3	6.4	6.1	8.2	6.7
Public transportation	1.2	1.0	1.2	1.3	1.2
Health care	5.3	4.2	6.3	4.5	4.6
Entertainment	5.0	6.2	5.1	6.4	5.1
Personal care	1.1	1.1	.9	1.2	1.0
Reading	.5	.6	.5	.5	.5
Education	1.6	2.2	1.1	.9	1.6
Tobacco	.8	.9	1.1	1.0	.6
Miscellaneous	2.4	2.3	2.9	2.3	3.2
Cash contributions	3.0	2.3	3.4	2.4	2.8
Personal insurance and pensions	9.4	9.7	8.5	8.1	12.9

<sup>1/</sup> Components of income and taxes are derived from "complete income reporters" only: see definitions.